

# Equality Analysis (Response to consultation)

*Reforming healthcare education funding: creating a sustainable future workforce*

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# Summary

This document has been refreshed following the consultation *Reforming healthcare education funding: creating a sustainable future workforce*, which closed on 30 June 2016. It accompanies our response to the consultation.

The reforms set out within the consultation address key issues associated with the current system of funding these students through NHS bursaries and tuition provided by Health Education England (HEE). Providing access to the standard student support system will increase the level of living cost support available to these students during their studies. Removing the “cap” on annual numbers will enable more students to pursue a career in healthcare who want to and universities will be able to expand their student numbers in a sustainable way.

It is important that these reforms are in accordance with our obligations and responsibilities in respect of equality. Under the Equality Act 2010, the Department of Health (DH), as a public authority, is legally obliged to give due regard to equality issues when making policy decisions. Analysing the effects on equality of this policy reform through developing an equalities analysis is one method of ensuring that consideration of equality issues is built into the policy development process, and informs Ministers’ decision making.

In considering the policy to withdraw both the current NHS maintenance bursary and free tuition for all new students starting nursing, midwifery and allied health courses from August 2017 and move them on to the standard student support system, the Secretary of State for Health must comply with the Public Sector Equality Duty (PSED) and consider the Family Test.

This equality analysis has been updated to take into consideration the consultation responses and will be published with the Government Response to the consultation.

## Public Sector Equality Duty (Section 149 Equality Act 2010)

1. The general equality duty within the Act comprises three equality objectives and requires the Secretary of State and public authorities, in the exercise of their functions, to have due regard to the need to:
  - Eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under the Equality Act 2010;
  - Advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it;
  - Foster good relations between persons who share a relevant protected characteristic and persons who do not share it.
2. The protected characteristics covered by this duty are age, disability, gender reassignment, pregnancy and maternity, race, religion or belief, sex and sexual orientation.

**The impact of the policy on this duty has been considered within this Equality Analysis and has been updated following information received from individuals and organisations during the consultation. Further and continued equality analysis will be undertaken as details of the supplementary fund are developed**

*The Family Test*

3. The Secretary of State must consider and, where sensible and proportionate, apply the Family Test. The five family test questions are:

- What kinds of impact might the policy have on family formation?
- What kind of impact will the policy have on families going through key transitions such as becoming parents, getting married, fostering or adopting, bereavement, redundancy, new caring responsibilities or the onset of a long-term health condition?
- What impacts will the policy have on all family members' ability to play a full role in family life, including with respect to parenting and other caring responsibilities?
- How does the policy impact families before, during and after couple separation?
- How does the policy impact those families most at risk of deterioration of relationship quality and breakdown?

The impact of the policy on this duty has been considered within this Equality Analysis.

Any queries and comments about this Equality Analysis should be addressed to:

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# Equality analysis

**Title: Reforming the funding system and financial support offer for new Nursing, Midwifery and Allied Health Professional students from 1 August 2017**

**Relevant line in [DH Business Plan 2011-2015](#): Spending Review 2015**

## What are the intended outcomes of this work?

The intention is to change the funding system and financial support offered to nursing, midwifery and allied health professional (AHP) students. The majority of new students beginning their courses from 1 August 2017 onwards will be funded through the standard student support system administered by the Student Loans Company (SLC) rather than through the NHS Bursary scheme, which supports existing students by providing the NHS Bursary for maintenance, and the cost to universities of their tuition for the entirety of their course. This will increase student opportunities by delivering more nurses, midwives and AHPs for the NHS: provide a better, more sustainable, funding system for nursing, midwifery and AHP students and enable a more sustainable funding model for universities. Following the reform universities will be able to recruit additional students, where capacity allows, over the clinical placement numbers commissioned by Health Education England (HEE) and outlined in the annual HEE Workforce Plan.

The consultation response, alongside which this document is published, sets out in more detail the funding arrangements for new healthcare students from 1 August 2017.

## Who would be affected?

The change in policy affects only new nursing, midwifery and AHP students who commence their studies from 1 August 2017 onwards. These include students taking approved (NHS funded) pre-registration undergraduate courses in the following subjects:

- Nursing (adult, child, mental health, learning and disability)
- Midwifery
- Dietetics
- Occupational Therapy
- Orthoptics
- Orthotics & Prosthetics
- Physiotherapy
- Podiatry/Chiropody
- Radiography (diagnostic and therapeutic)
- Speech and Language Therapy
- Operating Department Practitioner

Dental hygiene and dental therapy courses were included in the original scope of the reforms.

However, we have received feedback from consultation responses and stakeholders including the Dental Schools Council that including Dental Therapy and Dental Hygiene in the scope of the reforms would have a detrimental effect on workforce supply. This is because several dental therapy and hygiene courses are supplied by dental schools, such as The Greater Manchester School for Dental Care Professions, rather than universities. If these courses were included in the scope of the reforms, students at these dental schools would not be eligible for funding under SLC rules and these courses would be forced to close. Based on information given to us at Health and Education National and Strategic Exchange meetings, we estimate this applies to a quarter of dental and hygiene courses.

Given that this would have serious implications for future workforce supply, the government intends to fund a capped number of students on the 2017/18 cohort on the same, non-repayable terms as under the current system. This will be a transitional arrangement and the intention of the government in the long term is for these courses to reform to fit the standard student funding model. We expect course providers to begin developing options to reform their courses for cohorts from 2018/19 onwards.

The student support system for tuition and living costs is currently available to most students in England undertaking approved courses and who meet eligibility criteria. If an eligible student secures a place on a higher education course they are entitled to apply for student support.

Based on the current system, a student who chooses to take a maximum tuition and maintenance loan for three years would graduate with student loan borrowing of between £47,712 and £59,106 depending on the course studied, location and whether or not the student lives in the parental home. This is in comparison to the current system where nursing, midwifery and allied health students on three year undergraduate programmes graduate with student loan borrowing of around £8,000 in total.

Under current student support regulations, student loan repayments begin at the start of the financial year after graduation if the graduate is earning over £21,000. Repayments are income-contingent, set at 9% of any earnings over £21,000. If earnings drop below £21,000 for any reason, then repayments stop. Any outstanding loan balance is written off 30 years after the repayment period starts. This means that if at any point a graduate's earnings are below £21,000, their loan repayments will cease (even if they have previously earned over £21,000 and therefore made repayments) and they will not have to begin repaying their loan again until their earnings are over £21,000. The 30 year period is not suspended while loan repayments are not being made.

A small number of nursing, midwifery and allied health professional students may already have a degree in another discipline. Under the current student support system, these potential students would not be eligible to access student support for a second time.

To support students who are planning to undertake nursing, midwifery and allied health professional subjects as a second degree, the government has committed to enable these students to access the standard student support package.

We consider that this measure will address the concern that students who already have a degree,

however funded, will not be able to undertake a second degree to studying nursing, midwifery or an allied health profession. As is current policy, students who take out two undergraduate loans will not repay the second after the first, but instead will have the second loan balance added on to the first. Loan repayments will remain income dependent. The SLC will issue further guidance on this.

We set out in the first Equalities Analysis that students on full-time postgraduate masters' courses which are one or two years in length (or equivalent part-time courses studied at 50% and three year part-time courses where there is no full-time equivalent) would be able to apply for a Postgraduate Masters Loan. Students would be able to borrow up to £10,000 over the duration of their course to use towards their fees and living costs. This loan would not be means tested. This position has been revised for students beginning in 2017/18.

The consultation acknowledged that, under the current higher education loans system, there are a number of postgraduate healthcare courses which would not be eligible for the postgraduate master's loans package, which at £10,000 has been designed as a contribution to a student's costs. There is therefore a risk that were funding not available to prospective healthcare postgraduate applicants, student numbers, and therefore workforce supply, could fall. For the purposes of securing longer term workforce supply, the government will, for the cohort starting in 2017/18 and for a capped number of students, provide a bursary for tuition and maintenance to meet the full costs of the course for postgraduate students. These terms will serve as a transitional arrangement until further options have been developed for students commencing courses in 2018.

As announced in Budget 2016, the government is reviewing the gaps in support for lifetime learning, including for flexible and part-time study. Submissions to the government regarding ineligibility for postgraduate loans will be considered as part of this review. Details of the review can be found at paragraph 3.9 of the Budget statement:

<https://www.gov.uk/government/publications/budget-2016-documents/budget-2016>

Currently around 1% of the total nursing, midwifery and allied health students study part-time at pre-registration level. Under the current student support system rules, only full-time students are eligible for a loan for living costs. From 2018/19 the rules will change so that for the first time loans for living costs will be available for part-time students. However, this will mean that for one year only in 2017/18, part-time students will only have access to tuition fee loans and not maintenance loan for living costs. We estimate this would impact on around one per cent of students.

Responses to the consultation question - proposing that part-time students receive a bursary for maintenance for the 2017/18 cohort only – have not provided any clear steer on the most appropriate option, with approximately 39% of respondents saying the options put forward would support students taking up part-time courses, and just over 41% saying they would not. Just under 20% of respondents did not answer the question.

The consultation indicated that in 2017/18, part-time students will only have access to tuition fee loans and will not be eligible to apply for a loan for living costs through the SLC. For this reason, the government will, for a capped number of new students who commence part-time courses in 2017/18, continue to provide maintenance bursary support for the duration of their course. Further guidance will be issued. The intention is for new students commencing part-time courses from

2018/19 onwards to apply for both tuition and living cost loans through the SLC, subject to a wider consultation on part-time undergraduate maintenance loans.

Students who accept a place for 2016 but defer and commence their courses after 1 August 2017 will be funded on the standard student support system, which is in line with wider changes in Higher Education introduced in 2012. Those existing students who have started before 1 August 2017 who subsequently temporarily suspend their studies will remain on the NHS Bursary system for the full duration of their course and not be transferred onto the student support system part way through their course.

More information about eligibility criteria and payments of the NHS Bursary can be found on the NHS Business Services Authority (BSA) website

<http://www.nhsbsa.nhs.uk/Students/816.aspx>

Official bursary scheme rules can be found on the Gov.UK website:

<https://www.gov.uk/government/publications/nhs-bursary-scheme-rules-2016>

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## Evidence

### What evidence have you considered?

For this equality analysis, the primary sources of evidence are:

- Office for National Statistics (ONS)  
<http://www.ons.gov.uk/ons/index.html>

Source of data relating to the UK Population. Where possible, this report has used population estimates for mid-2014, as these are the closest available to the most recent equality monitoring data collection for NHS Bursary recipients. Where this is not possible, 2011 census data has been used.

- NHS Business Services Authority (BSA)  
<http://www.nhsbsa.nhs.uk/>

Publishes annual reports containing Equality and Diversity data for current and past recipients of the NHS Bursary covering the following protected characteristics: Sex, Age, Sexual Orientation, Disability, Ethnicity and Religion/Belief.

- Higher Education Statistics Agency (HESA)  
<https://hesa.ac.uk/>

HESA publish data on the population of students as a whole, allowing comparison between NHS Bursary recipients and the full student population.

- Universities and Colleges Admissions Service (UCAS)  
<https://www.ucas.com/corporate/data-and-analysis>

Publishes data covering applications and admissions to full-time higher education in the UK.

- Higher Education Funding Council for England (HEFCE)  
<http://www.hefce.ac.uk/data/>

HEFCE publish data relating to Higher Education at a local and national level.

- Health and Social Care Information Centre (HSCIC)  
<http://www.hscic.gov.uk/>

The HSCIC publish data relating to health and social care; of particular interest here is their data regarding the health and social care workforce. They produce data extracts based on

the Electronic Staff Record (ESR)<sup>1</sup> and other data collections.

Additional data for disability within the general population was collected from the Office for Disability Issues/Department for Work and Pensions Disability prevalence figures in 2012<sup>2</sup>, and worked out as a percentage of the population estimate for 2012<sup>3</sup>. Where population data could not be sourced, surveys and samples were used to illustrate trends of the wider group.

Any evidence supplied by responses to the consultation *Reforming healthcare education funding: creating a sustainable future workforce*. There were just under 1,750 responses to the consultation.

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<sup>1</sup> <http://www.electronicstaffrecord.nhs.uk/home/>

<sup>2</sup> <https://www.gov.uk/government/statistics/disability-prevalence-estimates-200203-to-201112-apr-to-mar>

<sup>3</sup> 56,567,800 total population estimate in 2012, <http://www.ons.gov.uk/ons/rel/pop-estimate/population-estimates-for-england-and-wales/mid-2012/index.html>

## Disability

The profile of current nursing, midwifery and AHP students in receipt of an NHS Bursary compared to the UK population as a whole and the wider current student population is outlined below:

	Nursing, midwifery and AHP students	General UK Population	Students
Disability prevalence	3.5% <sup>4</sup>	10.0% <sup>5</sup>	10.1% <sup>6</sup>

From the available data for current students, the proportion of disabled students appears lower for nursing, midwifery and AHP students receiving the bursary (3.5%, NHS BSA data) than for all students (10.1% of full-time students, HESA data) and the population as a whole (10.0%, DWP figures). It could simply be the case that disabled students are less likely to take courses from this subject group for reasons independent of the way the courses are funded. However, the proportion of nursing, midwifery and AHP students classifying themselves as disabled is smaller than the proportion of such students claiming Disabled Students' Allowance (approximately 5%, NHS BSA data), highlighting that there is an issue with data collection concerning disability issues, maybe regarding the definition of disability and whether students choose to define themselves as disabled. Either way, it appears recipients of the NHS Bursary have a lower proportion of disabled members than both the student population and the working age UK population as a whole.

Both the NHS Bursary scheme and the student support system offer a non-means tested, non-repayable allowance available specifically for disabled students (Disabled Students' Allowance, DSA). The rates are comparable across the two funding systems, ensuring students are not worse off whilst studying under the new system than they would have been had they been funded through the NHS Bursary scheme.

Around 30 responses to the consultation described any adverse impact on disabled students. Many responses felt the changes would discourage prospective disabled students from applying, however, they did not provide any reasons or evidence to support their statements. This lack of evidence, along with our analysis based on NHS BSA data, means we conclude that the reforms would not affect a disproportionately large number of disabled people.

Under the Equality Act 2010 colleges and universities must also take into account a person's disability when arranging work placements and liaise with the work placement providers to implement any necessary support. This includes people who are on a work placement as part of a vocational training programme. A vocational training programme is likely to include most students who are undertaking a work placement as an integral part of a further or higher education course.

<sup>4</sup> 2.6% of students responded with "Prefer not to say"

<sup>5</sup> This is the figure for the adult working age population. The figure for the population as a whole is 20.51%

<sup>6</sup> <https://hesa.ac.uk/free-statistics> – Table 6a: for full-time students, 170,735 with a known disability, out of 1,696,030 in total (10.1%).

The institution therefore have a responsibility to ensure that providers of work placements do not have discriminatory practices and also that they make reasonable adjustments for disabled people on a work placement. The length of the work placement may be a factor when determining whether an adjustment is reasonable.

With regards to the provision of support for healthcare students whilst on placement, it will be the responsibility of the institution to ensure the appropriate support is provided, either through direct provision of that support or to ensure providers make reasonable adjustments for disabled students whilst on placements. This applies to support that would normally be provided by the institution whilst the student is not on placement. In the event of any issue with the provision of support during a placement, students should raise this with their institutions course provider. The proposed reforms will not affect this obligation.

With this requirement placed on universities, and the fact that students will receive the same level of DSA support under the new system, the expectation is that changes to the funding of healthcare students would not have an adverse impact on disabled students whilst on placement.

Under the NHS Bursary Scheme in 2016, the following DSA is available:

<b>Type of DSA</b>	<b>Amount</b>
Non-medical support	Up to £20,725 for each academic year
Equipment	Up to £5,214 for the whole course
Travel	Actual costs reasonably and necessarily incurred
Other costs	Up to £1,741 for each academic year

Source:

[https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/525934/NHS\\_Bursary\\_Scheme\\_New\\_Rules\\_5.2\\_A.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/525934/NHS_Bursary_Scheme_New_Rules_5.2_A.pdf)

For the wider student population in 2016/17, the following DSA is available:

<b>Type of Student</b>	<b>Specialist equipment allowance</b>	<b>Non-medical helper allowance</b>	<b>General allowance</b>
Full-time	Up to £5,212 for the whole course	Up to £20,725 a year	Up to £1,741 a year
Part-time	Up to £5,212 for the whole course	Up to £15,543 a year	Up to £1,305 a year

Actual travel costs reasonably and necessarily incurred are also re-imbursed under the wider DSA scheme.

Postgraduates can get a single allowance of up to £10,362 a year.

Source: <https://www.gov.uk/disabled-students-allowances-dsas/what-youll-get>

Moving to the standard student support system would be expected to lengthen the time period and the total of student loan repayments students need to make upon graduation.

The loan repayment terms as they stand for academic year 2016/17<sup>7</sup> state that graduates will pay back 9% of any earnings over £21,000. Disabled people are slightly more likely to work part time, although the difference is a single percentage point and is not statistically significant (HSCIC ESR data extract). If a graduate works part time, reducing their earnings, then their repayments will also be reduced; if their earnings are reduced below £21,000 their repayments will cease until they once again earn above that threshold. Therefore, a graduate who works part time may repay their loan more slowly, and there may be a risk that they will still be making repayments at an age where others may not. However, the portion of their earnings that is going to loan repayments is reduced in accordance with student support regulations.

Evidence shows that increases in fees in the wider higher education system have not had a detrimental impact on the numbers of disabled students applying to university. The proportion of students declaring a disability has increased year on year from 8.2% in 2010/11 to 10.2% in 2013/14 (BIS, 2015)<sup>8</sup>.

Based on the evidence available (which could be improved upon) it can be concluded that the overall impact from the reforms on the protected characteristic of disability should be broadly neutral. New nursing, midwifery and AHP students with disabilities should not be disproportionately affected by the move to support them through the standard student support system from 2017.

## Sex

The profile of current nursing, midwifery and AHP students in receipt of an NHS Bursary compared to the UK population (mid-2014 estimated figures<sup>9</sup>) as a whole and the student population is outlined below:

	Nursing, midwifery and AHP students	General UK Population	Students <sup>10</sup>
Male	11.8%	49.4%	43.9%
Female	86.7%	50.6%	56.1%
Prefer not to say	1.4%	N/A	N/A

<sup>7</sup> <https://www.gov.uk/student-finance> (accessed 12/01/2016)

<sup>8</sup> BIS (2015) Student Finance EQIA, 25<sup>th</sup> Nov 2015  
<https://www.gov.uk/.../bis-15-639-student-finance-equality-analysis.pdf>

<sup>9</sup> Office for National Statistics: Population Estimates for UK, England and Wales, Scotland and Northern Ireland, Mid-2014

<sup>10</sup> <https://hesa.ac.uk/free-statistics> – Table 1: 2,299,355 total figure is inclusive of full and part-time students

A higher proportion of current nursing, midwifery and AHP students are female, when compared to both the student population and the UK population as a whole. A high number of consultation responses also identified that healthcare courses comprise more women than men. The policy would, therefore, affect more women than men. According to NHS BSA data, female students are not significantly more likely to study part time than male students but are more likely to have child dependants. As such, considerations around flexible work patterns following graduation are of additional importance here, as women are more likely to take parental leave and/or take career breaks. Considerations around the working patterns associated with clinical placements (e.g. clinical placements can take place at unsociable hours of the day or night) and the associated issue of child care expenses are also of importance to female students with caring responsibilities.

As outlined above, the standard higher education student support package offers typically offers around 25% more than the combination of means-tested and non-means-tested bursaries under the present NHS Bursary Scheme. The student support system also includes a Parent's Learning Allowance and a Childcare Allowance, which are, in most circumstances, more generous than their counterparts under the NHS Bursary scheme. The NHS Bursary Scheme also has a Child Dependents Allowance, which the student support regulations do not have. In order to mitigate the risk of these prospective students potentially being disadvantaged from changes to funding mechanisms, we set out in the consultation that we considered whether there are any specific sets of circumstances which could warrant additional funding above what is available under the higher education student support package. Alongside DH analysis, responses to the consultation suggest that older (female) students are more likely to have child dependents or caring responsibilities.

The Department recognises support with childcare costs is a key issue and has noted the concerns that in certain, specific situations, some new students with child dependents may potentially find themselves able to access less support on the higher education student support system when compared to childcare support through the NHS bursary system. As set out in the consultation response, the Department will, in appropriate circumstances provide additional support of £1,000 per student with dependents, per academic year, in order to ensure that those students with child dependents can continue to study and attend clinical placements. This will not affect these students' access to childcare support provided by the standard higher education financial support system. As well as preventing a risk to student numbers, this additional targeted support will help mitigate any risk of these prospective students potentially being disadvantaged from changes to the funding mechanisms. Further details will be made available prior to students commencing their courses in September 2017.

The new arrangements would be expected to lengthen the time period and total of student loan repayments students have to make following graduation. There is evidence that women are slightly more likely to be averse to increased borrowing.<sup>11</sup> This may affect their participation in such courses under the standard student support system. To mitigate this there is protection for low earners built into the student loans system whereby repayments – set at 9% of any earnings over £21,000 – will either reduce or cease depending on their earnings. If a graduate's working pattern

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<sup>11</sup> [http://www.universitiesuk.ac.uk/highereducation/Pages/StudentStudent loan repayments.aspx#.VpjHpssriUk](http://www.universitiesuk.ac.uk/highereducation/Pages/StudentStudent%20loan%20repayments.aspx#.VpjHpssriUk)

results in their earnings being reduced, then their repayments will also be reduced; if their earnings are reduced below £21,000 their repayments will cease until they once again earn above that threshold. Therefore, a graduate who works part time may repay their loan more slowly, but the portion of their earnings that is going to loan repayments is reduced in accordance with student support regulations. Similarly, if a graduate takes a career break, their loan repayments will cease during the period of time in which their earnings are below the repayment threshold.

Evidence also shows that increases in fees in the wider higher education system have not had a detrimental impact on the numbers of students applying to university. 18 year old women are around a third more likely than men of the same age to go to university in 2014 and disadvantaged 18 year old women are 50% more likely than disadvantaged men of the same age to go to university (BIS 2015; page 27<sup>12</sup>). Participation in higher education by women has continued to increase since the 2012 reforms which introduced £9,000 tuition fees.

While the policy change does not discriminate on the basis of gender, consideration of the 'Pregnancy and Maternity' characteristic is of increased significance for this policy change and is considered in more detail below.

## Race

The profile of current nursing, midwifery and AHP students in receipt of an NHS Bursary compared to the UK population (2011 census) as a whole and the student population is outlined below. The data on the general student population is poor, with only 14% of students declaring their ethnicity on their SLC application form.

	Nursing, midwifery and AHP students	General England and Wales Population <sup>13</sup>	Students <sup>14</sup>
White	76.7%	85.9%	77.2%
Ethnic Minority	21.0%	14.0%	21.8%
Prefer not to say/not known	2.1%	N/A	0.9%

21.8% of the student population as a whole identified as non-white; the equivalent figures for NHS Bursary recipients are 21.0%; both of these figures are higher than for the general population. Therefore, participation in higher education as a whole is higher for all ethnic minorities than for white ethnic groups<sup>15</sup> and the proportion of nursing, midwifery and AHP students identified as non-white ethnicity appears to be comparable to the general student population (although the data for

<sup>12</sup> BIS (2015) Student Finance Equality Analysis, 25<sup>th</sup> Nov, 2015

<https://www.gov.uk/.../bis-15-639-student-finance-equality-analysis.pdf>

<sup>13</sup> Office for National Statistics – 2011 Census: Ethnic group (detailed), local authorities in England and Wales

<sup>14</sup> <https://hesa.ac.uk/free-statistics> - Table 6a: This data shows UK-domiciled full-time students only

<sup>15</sup> <https://www.ucas.com/corporate/data-and-analysis/ucas-undergraduate-releases/ucas-undergraduate-analysis-reports/ucas>

this latter group could be improved upon).

Nursing, midwifery and AHP students of non-white ethnicity are more likely to have no income or resources of their own to declare when applying for their bursary, which points to a higher proportion of those from a minority ethnic group coming from a lower socio-economic background. Around 40 responses to the consultation made reference to the proposals having an impact on black and minority ethnic students. However, there is also evidence that students from some ethnic minorities are actually more likely to attend higher education than white students, even if they are from a disadvantaged background<sup>16</sup>. For example, the entry rate into higher education amongst English, state-schooled 18 years olds from white ethnic groups is 27.2%, Asian 38.7%, Black 34.3%, Mixed 30.6%, Chinese 56.1% and Other 33.4%. From 2017, students of non-white ethnicity would, in general, be expected to benefit from the relatively higher living cost support provided by the standard student support system during their studies relative to that available under the NHS Bursary Scheme.

These new arrangements would be expected to lengthen the time period of student loan repayments for students following graduation. There is evidence that students from ethnic minorities and students from lower income groups may be more averse to taking out increased borrowing. However, to mitigate this there is protection for low earners built into the student loan repayment system whereby repayments – set at 9% of any earnings over £21,000 – will either reduce or cease depending on their earnings. If a graduate's working pattern results in their earnings being reduced, then their repayments will also be reduced; if their earnings are reduced below £21,000 their repayments will cease until they once again earn above that threshold. In addition, the government will provide additional support for those exceptional cases where students find themselves in severe hardship. In the wider higher education system the introduction of an increase in fees has not put young people from disadvantaged backgrounds off from applying for higher education. The proportion of students from disadvantaged backgrounds entering higher education is up from 13.6% in 2009 to 18.5% in 2015, a time frame that includes the 2012 reforms to the BIS student support system<sup>17</sup>.

On the evidence, the policy does not discriminate on the basis of ethnicity. The level of nursing, midwifery and AHP students currently receiving a bursary from an ethnic minority background appears to be comparable to the wider student population and, as such, there is no evidence to suggest that the proposed policy would have a disproportionate impact on the participation of such groups on these courses.

It is important to note that there are links between ethnicity and religion. This characteristic is considered further below.

## Age

<sup>16</sup> <https://www.gov.uk/government/publications/higher-education-participation-socio-economic-ethnic-and-gender-differences>

<sup>17</sup> <https://www.ucas.com/corporate/data-and-analysis/ucas-undergraduate-releases/ucas-undergraduate-analysis-reports/ucas>



The age profile of current nursing, midwifery and AHP students in receipt of an NHS Bursary compared to the UK population as a whole and the student population is outlined below:

Age Group	Nursing, midwifery and AHP students	General UK Population	Students <sup>18</sup>
Under 25	59.1%	30.5%	81.9%
25+	40.8%	69.4%	18.0%

Current nursing, midwifery and AHP students are in general older than other non-healthcare students, where most of the students are under 21. 40.8% of NHS Bursary recipients are over 25 years of age, compared with only 18% of students generally.

In terms of the financial impact, older students are more likely to have a degree already which would ordinarily exclude them from eligibility for the standard student support package. However, the government will exempt nursing, midwifery and AHP students from the equivalent or lower qualification (ELQ) rule and allow these students to apply for student funding support when they already have an equivalent qualification. This will enable them to benefit from the greater level of living cost support during their studies. Students receiving a loan for a second undergraduate degree in a healthcare subject would increase the potential time period of their student loan repayments but would repay at the same rate and terms as students with only one undergraduate degree. Furthermore, the repayment terms are set at 9% of earnings over £21,000. The protection in the BIS system for low earners means repayments would reduce or even cease if they earned under this amount. Finally, under current BIS regulations, outstanding student loan repayments are written off 30 years after repayments start, with no adverse consequences for an individual in terms of credit rating.

The standard loan repayment term of 30 years means that an older student may still be making repayments at an age where others may not. However, this is dependent on personal circumstances and a younger person may equally select to work part time meaning that their repayments would be spread over a longer period. There is evidence that older people are more averse to taking out increased borrowing, particularly if they have already taken out an undergraduate loan.<sup>19</sup> This is reflected in the findings presented in a recent Equality Analysis conducted by BIS<sup>20</sup>, stating that older students are in general more likely to worry about their financial situation, prefer to have a smaller, non-repayable financial support package, and are more likely to be deterred by the prospect of student loan repayments. This paper also noted that, following the 2012 reforms, there was an initial dampening of demand in terms of applications for full-time undergraduate study among mature students, although this has recovered in terms of numbers of students accepted onto courses.

<sup>18</sup> <https://hesa.ac.uk/free-statistics> - Table 6a: This data shows UK-domiciled full-time students only

<sup>19</sup> [http://www.universitiesuk.ac.uk/highereducation/Pages/StudentStudent loan repayments.aspx#.VpjHpsriUk](http://www.universitiesuk.ac.uk/highereducation/Pages/StudentStudent%20loan%20repayments.aspx#.VpjHpsriUk)

<sup>20</sup> [https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/482110/bis-15-639-student-finance-equality-analysis.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/482110/bis-15-639-student-finance-equality-analysis.pdf)

**Table G1: Number of acceptances by domicile and age groups (2011-2015)<sup>21</sup>**

UK institutions, UK and EU domiciled students

Applicant Domicile	Age Group	2011	2012	2013	2014	2015
UK	21-25	49,290	46,325	50,430	51,835	53,520
	26+	42,170	40,605	42,715	46,865	48,690
EU-excluding UK	21-25	5,015	3,715	3,735	3,735	3,895
	26+	985	780	760	675	740
UK and EU Total	21-25	54,305	50,040	54,165	55,570	57,415
	26+	43,155	41,385	43,475	47,540	49,430

A significant proportion of responses to the consultation also raised concerns around the age profile of current students, and that the proposed system would disproportionately affect older students, and based on available evidence, it appears that the policy change would affect a larger number of mature students (i.e. those over the age of 25) compared with the general student population. Although they will have access to the student support system even if they already have a degree, there is some evidence to suggest that the introduction of loans could have an adverse impact on more mature students' participation in nursing, midwifery and AHP degree courses in the future. In order to mitigate risks to student numbers and attrition from courses, work is ongoing on the development of options to support any prospective students potentially disadvantaged from changes to funding mechanisms.

The consultation acknowledged that, under the current higher education loans system, there are a number of postgraduate healthcare courses which would not be eligible for the new postgraduate master's loans package, which at £10,000 has been designed as a contribution to a student's costs. DH analysis, combined with evidence garnered through the consultation process, shows that postgraduate students are more likely to be older than the average student population. There is therefore a risk that were funding not available to prospective postgraduate applicants, student numbers, and therefore workforce supply, could fall. For the purposes of securing longer term workforce supply, the government will, for the cohort starting in 17/18 and for a capped number of students, provide a bursary for tuition and maintenance to meet the full costs of the course for postgraduate students.

On the evidence, the policy does not discriminate on the basis of age. However, alongside DH analysis, responses to the consultation suggest that older (female) students are more likely to have child dependents or caring responsibilities. The government has recognised these risks and, as with travel and accommodation, we accept that the clinical placement element of healthcare courses may mean that nursing, midwifery and AHP students incur larger childcare costs than the general student population. Therefore, as set out in the consultation response, the Department will provide additional support of £1,000 per person with child dependents for nursing, midwifery and allied health profession students with the purpose of maintaining access to clinical placements and other areas associated with compulsory study. Our analysis shows that the provision of £1,000

<sup>21</sup> <https://www.ucas.com/corporate/data-and-analysis/ucas-undergraduate-releases/ucas-undergraduate-analysis-reports/ucas> EOC 2015, Table 3

means that it is reasonable to expect that most students with dependents will be no worse off, and in many cases better off, with the support offered by the standard student support system. This will not affect these students' access to childcare support provided by the standard higher education financial support system. As well as preventing a risk to student numbers, this additional targeted support will help mitigate any risk of these prospective students potentially being disadvantaged from changes to the funding mechanisms.

Moreover, the fact that more nursing, midwifery and allied health students are over 25 than the student population, in combination with the data around the gender of NHS Bursary recipients, means that nursing, midwifery and allied health students would be more affected by issues relating to the characteristic of 'Pregnancy and Maternity'. This is considered in more detail below.

### **Gender reassignment (including transgender)**

There is currently no data available on this characteristic for healthcare or other students. Similarly, the Office for National Statistics does not produce estimates of the number of transgender people living in the UK. However, the policy is not considered to have any adverse effect upon students who have undergone / are undergoing gender reassignment. Such students will benefit from the greater level of living cost support during their studies and incur a longer period of student loan repayments upon graduation, but to the same repayment terms, as any other nursing, midwifery and AHP student as a result of the reform.

As outlined above, the standard student support system would offer typically around 25% more living cost support than the combination of means-tested and non-means-tested bursaries under the NHS Bursary Scheme. Therefore, providing access to the standard student support system to new nursing, midwifery and AHP students from 1 August 2017 would, in general, provide more living cost support for students during their studies.

However, under these new arrangements the time period of student loan repayments students would be expected to increase and this may affect students' participation in such courses if they are averse to taking out increased borrowing. To mitigate this there is protection for low earners built into the student loans system whereby repayments – set at 9% of any earnings over £21,000 – will either reduce or cease depending on their earnings. If a graduate's working pattern results in their earnings being reduced, then their repayments will also be reduced; if their earnings are reduced below £21,000 their repayments will cease until they once again earn above that threshold.

In addition to this mitigation, evidence shows that increases in fees in the wider higher education system have not had a detrimental impact on the numbers of students applying to university. In fact, statistics show that in the wider system students are now more likely to apply to university than they were in 2010<sup>22</sup>.

<sup>22</sup> BIS (2015) Student Finance Equality Analysis, 25<sup>th</sup> Nov, 2015

There were no consultation responses that considered the impact of the reforms on students who are undergoing/have undergone gender reassignment, other than in responses that discussed impacts on students who identify as lesbian, gay or bisexual (which is expanded on further in the following section). Following implementation of the policy, we will continue to monitor developments through existing stakeholder forums and seek other suitable opportunities for feedback in relation to its impact. The government is committed to monitoring and evaluating data in real time following the introduction of the reforms and will ensure that its analysis for all diversity characteristics is as comprehensive as possible.

### Sexual orientation

The profile of current nursing, midwifery and AHP students in receipt of an NHS Bursary compared to the UK population as a whole is outlined below. There is currently only relatively poor data available for the general student population. The proportion of the general student population who identify as lesbian, gay or bisexual is not known, although it is indicated that around 91% of students identify as heterosexual according to limited sample data from surveys<sup>23</sup>.

	Nursing, midwifery and AHP students	General UK Population
Heterosexual/Straight	90.92%	92.80%
Lesbian/Gay	1.62%	1.10%
Bisexual	0.88%	0.50%
Other	N/A	0.30%
Prefer not to say	6.57%	3.90%
Non-response	0%	1.40%

While it is true that fewer NHS Bursary recipients identify as heterosexual than in the UK population as a whole, the figures are broadly similar. The change in policy does not therefore appear to disproportionately or adversely affect people of any particular sexual orientation, and it does not discriminate on the basis of sexual orientation .

As outlined above, the standard student support system would offer typically around 25% more living cost support than the combination of means-tested and non-means-tested bursaries under the NHS Bursary Scheme. Therefore, providing access to the standard student support system to new nursing, midwifery and AHP students from 1 August 2017 would, in general, provide more living cost support for students during their studies.

However, under these new arrangements the time period for repayments would be expected to increase and this may affect students' participation in such courses if they are averse to taking out increased borrowing. To mitigate this there is protection for low earners built into the student loans system whereby repayments – set at 9% of any earnings over £21,000 – will either reduce or cease depending on their earnings. If a graduate's working pattern results in their earnings being

<sup>23</sup> <http://www.nus.org.uk/global/lgbt-research.pdf>

reduced, then their repayments will also be reduced; if their earnings are reduced below £21,000 their repayments will cease until they once again earn above that threshold.

In addition to this mitigation, evidence shows that increases in fees in the wider higher education system have not had a detrimental impact on the numbers of students applying to university. In fact, statistics show that in the wider system students are now more likely to apply to university than they were in 2010<sup>24</sup>.

A very small number of responses to the consultation referenced students who identify as lesbian, gay, bisexual or transgender, stating that these reforms would further reduce participation of these students in healthcare courses. However, there is no evidence available to DH which would suggest the reforms would have an adverse impact on a student because of their sexual orientation. Following implementation of the policy, we will continue to monitor developments through existing stakeholder forums and seek other suitable opportunities for feedback in relation to its impact.

### Religion or belief

The profile of current nursing, midwifery and allied health students in receipt of an NHS Bursary compared to the population for England and Wales – data taken from the Office of National Statistics and based on the 2011 census rather than 2014 estimates – and the student population is outlined below:

	Nursing, midwifery and AHP students	General England and Wales Population <sup>25</sup>	Students <sup>26</sup>
Christianity	48.4%	59.2%	34.3%
No Religion/Atheist	35.2%	25.1%	50.0%
Islam	4.4%	4.8%	3.5%
Hinduism	0.9%	1.4%	1.3%
Sikhism	0.4%	0.7%	0.6%
Buddhism	0.5%	0.4%	0.9%
Judaism	0.2%	0.4%	0.7%
Other	2.7%	0.4	5.1%
Prefer not to say/not stated	6.9%	7.2%	3.1

NHS Bursary recipients are more likely to have a religion, and less likely to have no religion, than the general student population, but less likely to have a religion and more likely to have no religion than the England and Wales population as a whole. The policy does not discriminate on the basis of religion or belief; such students would benefit from the greater level of living cost support

<sup>24</sup> BIS (2015) Student Finance Equality Analysis, 25<sup>th</sup> Nov, 2015

<sup>25</sup> Office for National Statistics – 2011 Census: Religion, local authorities in England and Wales

<sup>26</sup> NUS Survey of Students' religions. <http://www.nus.org.uk/en/news/research-publications> - data limited to survey sample of 9222

available during their studies and incur an increased time period of student loan repayments, but to the same repayment terms, as any other nursing, midwifery and AHP student. However, students from some religions may be averse to taking on student loan repayments on religious grounds.

Currently, around 70% of nursing, midwifery and AHP students take on student loan repayments in the form of the reduced rate maintenance loan (designed to top up the amount currently available via the NHS Bursary) of £2,324 per year on average. However, students may currently be able to self-fund in lieu of such a loan. A larger amount of money that also covers fees may not be manageable in the same way. The principles of Sharia-compliant finance may prevent some Muslim students from taking out loans which have real rates of interest and, therefore, the move to loans for tuition and living cost support may discourage some Muslim students from participating. Muslim women have lower participation rates than Muslim men (43% of Muslim students are women<sup>27</sup>), and their participation rates may be especially affected if they are reliant on family income rather than student loans.

On the evidence, this policy does not discriminate on the basis of religion. There were a very small number of responses to the consultation that mentioned disadvantaging students with certain religious beliefs, with most referencing those of Muslim faith in particular. The concerns raised centred around the ability of students to access mainstream student support due to their religious beliefs.

The government consulted on whether to introduce an alternative finance product that is Sharia-compliant for religious students in April 2014<sup>28</sup>. The consultation had almost 20,000 responses, and 94% of respondents said that there would be demand for an alternative finance product which was Sharia-compliant. This alternative model of finance was further outlined in the Higher Education green paper<sup>29</sup> in November last year and government plans to introduce the system through new legislation (subject to Parliament) were confirmed. Therefore, there are no plans as part of this policy development to explore alternative options to this model.

### **Pregnancy and maternity**

As stated above, due to the larger proportion of women on NHS Bursary funded nursing, midwifery and AHP courses and the larger proportion of women over the age of 25, who are most likely to give birth<sup>30</sup>, the pregnancy and maternity characteristic is relevant for this policy change.

According to NHS BSA data, 1.3% of students in academic year 2014/15 claimed maternity allowance, including a very small number of male students. However, this allowance is in the

<sup>27</sup> [http://www.mcb.org.uk/wp-content/uploads/2015/02/MCBCensusReport\\_2015.pdf](http://www.mcb.org.uk/wp-content/uploads/2015/02/MCBCensusReport_2015.pdf)

<sup>28</sup> <https://www.gov.uk/government/consultations/sharia-compliant-student-finance>

<sup>29</sup> <https://www.gov.uk/government/consultations/higher-education-teaching-excellence-social-mobility-and-student-choice>

<sup>30</sup> ONS

overwhelming majority of cases claimed by female students. Data on the student population as a whole is poor. The National Union of Students (NUS) has published a report<sup>31</sup> on student parents, acknowledging that we do not know exactly how many students have children.

Question 6 of the government consultation addressed pregnancy and maternity directly, with some respondents answering that they had concerns that healthcare students may find it difficult to return to study shortly after having a child. Others put forward that the clinical placement element of study meant students may be deterred from returning to study quickly.

The government has considered these responses and believes that there is suitable support offered by Student Finance England (SFE) regulations for students who fall pregnant and need to return to their studies later. Under SFE guidance<sup>32</sup>, living cost support is provided for students who are absent from their course for 60 days for reasons including pregnancy. Extension of living cost support for absences greater than 60 days is provided on a discretionary basis, as long as the student and their HEI can agree a period of absence and terms of return. Given the discretionary nature of the provision of such support, this could potentially have an adverse impact on those students who do fall pregnant during their studies and therefore deter participation. However, SFE have been instructed to be particularly sympathetic towards those students who have dependants.<sup>33</sup> The government expects HEIs to work with their students and SFE to ensure healthcare students who fall pregnant are given adequate support to return to their studies. If students agree their return with HEIs, who then work with SFE, we believe there will be adequate support for pregnant students. It is not in the interest of any party for students to be unable to return to study due to hardship caused by pregnancy.

The government will monitor the impact of reforms on pregnant students and will make interventions if evidence shows it to be necessary. Because of this commitment and the support provided by the higher education support system, we believe this change to be justified.

For those who require maternity leave following graduation, there is protection for low earners built into the student support system whereby repayments will either reduce or cease depending on their earnings during that period. If a graduate's working pattern results in their earnings being reduced, then their repayments will also be reduced. If their earnings are reduced below £21,000 their repayments will cease until they once again earn above that threshold. Therefore, if a graduate's income reduces due to a lower rate of maternity pay, the portion of their earnings goes to loan repayments is reduced in accordance with student support regulations.

## Carers

Both the NHS Bursary and higher education student support schemes provide allowances for students with adult dependents, with the both schemes having comparable rates (£2,448 and

<sup>31</sup> [www.nus.org.uk/global/nus\\_sp\\_report\\_web.pdf/](http://www.nus.org.uk/global/nus_sp_report_web.pdf/)

<sup>32</sup> [http://www.practitioners.slc.co.uk/media/5948/sfe\\_1516\\_change\\_of\\_circumstance\\_policy\\_chapter\\_1\\_1\\_final.pdf](http://www.practitioners.slc.co.uk/media/5948/sfe_1516_change_of_circumstance_policy_chapter_1_1_final.pdf)

<sup>33</sup> [http://www.practitioners.slc.co.uk/media/5948/sfe\\_1516\\_change\\_of\\_circumstance\\_policy\\_chapter\\_1\\_1\\_final.pdf](http://www.practitioners.slc.co.uk/media/5948/sfe_1516_change_of_circumstance_policy_chapter_1_1_final.pdf) p.13

£2,757 respectively). As such, it is not considered these changes will have an adverse impact on students who have adult dependents, and focuses on those with child dependents.

Owing to the older, female demographic of current nursing, midwifery and AHP students, a higher proportion of students are likely to be parents and therefore have child dependants than the wider student population. For example, just over 20% of student nurses claimed at least one form of NHS support for childcare, as seen below.

The table below shows the total number and percentage of nursing, midwifery and allied health students who were in receipt of a NHS Bursary and also claimed an allowance in respect to potential childcare responsibilities in 2014/15:

<b>Award Element</b>	<b>Number of student claimants</b>	<b>Percentage of total non-medical students</b>
Dependents Allowance (Child Element)	15,736	17%
Parent Learning Allowance	16,475	18%
Childcare Allowance	9,283	10%

Source: NHS Business Services Authority

<sup>(1)</sup>Students may be in receipt of one or a combination of all three allowances

Considerations around the working patterns associated with clinical placements (e.g. clinical placements can take place at unsociable hours of the day or night) and the associated issue of childcare expenses are also of importance to female students with caring responsibilities. As outlined above, the standard higher education student support package offers substantially more living cost support than the combination of means-tested and non-means-tested bursaries available presently under the NHS Bursary Scheme. Therefore, providing support through the standard student support system will in general, provide more living cost support for students during their studies. In addition, both schemes have non-repayable Childcare Allowance, Parent Learning Allowance (and Adult Dependant Allowance as mentioned above).

The NHS Bursary Scheme also has a Child Dependents Allowance, which the student support regulations do not have, however the student support regulation rates for the other allowances are generally higher. The exact figures of the allowances can be found in the consultation document. We want to mitigate the risk of any prospective students potentially being disadvantaged from changes to funding mechanisms because of their specific circumstances, and this acting as a disincentive to participation.

Female students are more likely to have child dependants, which may increase their outgoings, and there is evidence that women are slightly more likely to be averse to taking out increased borrowing<sup>34</sup>, which may affect their participation<sup>34</sup> in such courses under the standard student

<sup>34</sup> [http://www.universitiesuk.ac.uk/highereducation/Pages/StudentStudent loan repayments.aspx#.VpjHpsriUk](http://www.universitiesuk.ac.uk/highereducation/Pages/StudentStudent%20loan%20repayments.aspx#.VpjHpsriUk)



support system. To mitigate this, there is protection for low earners built into the student support system whereby repayments – set at 9% of any earnings over £21,000 – will either reduce or cease depending on their earnings. If a graduate's working pattern results in their earnings being reduced, then their repayments will also be reduced; if their earnings are reduced below £21,000 their repayments will cease until they once again earn above that threshold. Therefore, a graduate who works part time may repay their loan more slowly, but the portion of their earnings that is going to loan repayments is reduced in accordance with student support regulations. Similarly, if a graduate takes a career break, their loan repayments will cease during the period of time in which their earnings are below the repayment threshold.

Responses to the consultation also made reference to healthcare students being more likely to have caring responsibilities.

As with travel and accommodation, the government accepts that the clinical placement element of healthcare courses may mean that nursing, midwifery and AHP students incur larger childcare costs than the general student population. Therefore, as set out in the consultation response, the Department will, in appropriate circumstances provide additional support of £1,000 per person for nursing, midwifery and allied health profession students with the purpose of maintaining access to clinical placements and other areas associated with compulsory study. Our analysis shows that the provision of £1,000 means that it is reasonable to expect that most students with dependents will be no worse off, and in many cases better off, with the support offered by the standard student support system. This will not affect these students' access to childcare support provided by the standard higher education financial support system. As well as preventing a risk to student numbers, this additional targeted support will help mitigate any risk of these prospective students potentially being disadvantaged from changes to the funding mechanisms.

## **Other identified groups**

### **Socioeconomic Groups and Income**

At present, each nursing place gets between two and three applicants and approximately two thirds of all applicants do not get the opportunity to study to become nurses. The proposed policy change would ensure that the profession is opened up and anyone who wants to become a nurse who meets the entry requirements would have more opportunities to do so.

Whilst it is a loan and not a grant, the standard student support system offers substantially more upfront support than the combination of means-tested and non-means-tested bursaries under the NHS Bursary Scheme. In 2012/13, 63% of the Access to Learning Fund at King's College London went to NHS-funded students. This is indicative of the fact that the current NHS Bursary is not sufficient to maintain nursing, midwifery and AHP students, when compared to the standard student support system. For example, £7,434<sup>35</sup> of loan per year was available for maintenance to

<sup>35</sup> <http://www.parliament.uk/business/publications/written-questions-answers-statements/written-statement/Commons/2015-07-21/HCWS160/>

each student under SFE provisions in 2015/16, as opposed to £3,643 in grant under the NHS Bursary system<sup>36</sup>. Therefore, providing support through standard student loans for new nursing, midwifery and AHP students from 1 August 2017 would, in general, provide more living cost support for students during their studies.

Under the reform, the length of time graduates will repay their student loans would be expected to increase because students would now be taking out loans for tuition and living costs. This may affect students' participation in such courses, particularly if they are from lower income groups and, therefore, more averse to taking out loans<sup>37</sup>. However, as set out above, the standard student support system living cost support is significantly greater than the bursary provision currently in place to assist with living costs. In addition, there is protection for low earners built into the student support system. If a graduate's working pattern results in their earnings being reduced, then their repayments will also be reduced. If their earnings are reduced below £21,000 their repayments will cease until they once again earn above that threshold.

Furthermore, evidence shows that increases in fees in the wider higher education system have not had a detrimental impact on the numbers of students applying to university. Statistics show that students on the student support system are now more likely to apply to university than five years ago, despite the increases in fees over that time<sup>38</sup>. In the wider higher education system the introduction of £9,000 fees has not put young people from disadvantaged backgrounds off applying for higher education. This year has seen record entry rates by young people from disadvantaged backgrounds of 18.5%<sup>39</sup>.

As set out in the Government Response, the government will make available support to students in the form of travel grants, childcare allowances and other provisions including for cases of exceptional hardship, in order to keep healthcare courses accessible to everyone who is qualified to attend. We believe these provisions will reduce any potential adverse impacts on protected groups who are more likely to come from lower socio-economic backgrounds.

We will carefully consider the impact of these changes on access by students from disadvantaged backgrounds and how we continue to encourage and support people from all socio-economic backgrounds to become nurses, midwives and AHPs as part of the consultation. Following implementation of the policy, the government will carefully monitor application and attrition rates for students from disadvantaged backgrounds.

### **Resident Status and Migrants**

The NHS Bursary scheme only applies to those students who have been ordinarily resident in the UK for three years prior to the start of their course, whereas under the BIS student support regulations, students must have been ordinarily resident in the UK for 5 years prior to the start of

<sup>36</sup> [http://www.nhsbsa.nhs.uk/Documents/Students/Financial\\_help\\_for\\_healthcare\\_students\\_2015-16\\_\(V1\)\\_04.2015.pdf](http://www.nhsbsa.nhs.uk/Documents/Students/Financial_help_for_healthcare_students_2015-16_(V1)_04.2015.pdf)

<sup>37</sup> [http://www.universitiesuk.ac.uk/highereducation/Pages/StudentStudent\\_loan\\_repayments.aspx#.VpjHpssriUk](http://www.universitiesuk.ac.uk/highereducation/Pages/StudentStudent_loan_repayments.aspx#.VpjHpssriUk)

<sup>38</sup> BIS (2015) Student Finance Equality Analysis, 25<sup>th</sup> Nov, 2015

<sup>39</sup> <https://www.gov.uk/government/news/business-secretary-celebrates-record-applications-for-uk-higher-education>

the course. Although this means that the reforms may have an impact on the eligibility of new healthcare students that have between 3 and 5 years ordinary residence, there is currently no data available to assess the size of the impact as data is not collected on how many years students have been resident in the UK if it is at least 3.

BIS consulted on proposed criteria for access to student support for those who did not have indefinite leave to remain. For the 2016/17 academic year, the following criteria was adopted to consider applications:

- under 18 years of age on the first day of their first academic year and have lived in the UK for at least 7 years (including 3 years of lawful ordinary residence before the first day of the first academic year of the course);
- aged 18 years and above on the first day of their first academic year and have either spent at least half their life in the UK or at least 20 years in the UK (including 3 years of lawful ordinary residence before the first day of the first academic year of the course).

The NHS Bursary Scheme also amended its rules to allow access to students with this immigration status. As such, there is no impact on these students moving to the student loans system.

### **Family Test**

The Family Test was introduced on 31 October 2014. The objective of the test is to introduce an explicit family perspective to the policy making process, and ensure that potential impacts on family relationships and functioning are made explicit and recognised in the process of developing new policy.

Rather than limiting nursing places to approximately one third of all applicants for nursing, this reform will ensure that the profession is opened up and anyone who wants to become a nurse will have the opportunity to do so.

The standard student support system offers substantially more living cost support than the combination of means-tested and non-means-tested bursaries under the NHS Bursary scheme.

The Department of Health has considered the responses provided and recognises that, in a small number of cases, there may be scenarios where students find themselves facing severe financial hardship. Under the reformed system, all nursing, midwifery and allied health students within the scope of these reforms will be under the purview of the Director for Fair Access if they find themselves in severe financial hardship during the course of their studies.

However, the Department recognises that, even with this level of additional support, there may potentially be some exceptional cases where students still consider ending their studies prematurely due to severe financial hardship.

For such cases, the Department will work with external experts such including nursing bodies to develop options to support exceptional cases where nursing, midwifery and allied health students

find themselves in severe financial hardship. Further details will be published ahead of the 2017/18 implementation of these reforms.

Generally speaking, independent students are those that have financially supported themselves for three years prior to their course commencing, are married or in a civil partnership or are responsible for a dependent child under the age of 18. The financial assessment of such students for the means-tested element of bursaries and loans does not take into account their parents' income. However, for those that are married or in a civil partnership at the start of their course their partner's income will need to be declared and taken into account for means-testing, potentially decreasing the loan available to them. On separation, independent students may see an increase in maintenance loan, unless of course they revert to being dependent on parental income. Under the higher education student support system the proportion of the loan that is means-tested is significantly smaller than under the current bursary rules<sup>40</sup>.

Question 6 of the government consultation addressed pregnancy and maternity directly, with some respondents answering that they had concerns that healthcare students may find it difficult to return to study shortly after having a child. Others put forward that the clinical placement element of study meant students may be deterred from returning to study quickly.

The government has considered these responses and believes that there is suitable support offered by Student Finance England (SFE) regulations for students who fall pregnant and need to return to their studies later. Under SFE guidance<sup>41</sup>, living cost support is provided for students who are absent from their course for 60 days for reasons including pregnancy. Extension of living cost support for absences greater than 60 days is provided on a discretionary basis, as long as the student and their HEI can agree a period of absence and terms of return. Given the discretionary nature of the provision of such support, this could potentially have an adverse impact on those students who do fall pregnant during their studies and therefore deter participation. However, SFE have been instructed to be particularly sympathetic towards those students who have dependants.<sup>42</sup> The government expects HEIs to work with their students and SFE to ensure healthcare students who fall pregnant are given adequate support to return to their studies. If students agree their return with HEIs, who then work with SFE, we believe there will be adequate support for pregnant students. It is not in the interest of any party for students to be unable to return to study due to hardship caused by pregnancy.

The government will monitor the impact of reforms on pregnant students and will make interventions if evidence shows it to be necessary. Because of this commitment and the support provided by the higher education support system, we believe this change to be justified.

Both the NHS Bursary scheme and the higher education student support systems have an allowance in place for students with an adult dependant, parents' learning allowance, and childcare allowance. The NHS Bursary scheme also has a Child Dependants Allowance, which the higher

<sup>40</sup> <http://www.practitioners.slc.co.uk/media/6934/sfe-1617-assessing-financial-entitlement-final.pdf>

<sup>41</sup> [http://www.practitioners.slc.co.uk/media/5948/sfe\\_1516\\_change\\_of\\_circumstance\\_policy\\_chapter\\_1\\_1\\_final.pdf](http://www.practitioners.slc.co.uk/media/5948/sfe_1516_change_of_circumstance_policy_chapter_1_1_final.pdf)

<sup>42</sup> [http://www.practitioners.slc.co.uk/media/5948/sfe\\_1516\\_change\\_of\\_circumstance\\_policy\\_chapter\\_1\\_1\\_final.pdf](http://www.practitioners.slc.co.uk/media/5948/sfe_1516_change_of_circumstance_policy_chapter_1_1_final.pdf) p.13

education regulations do not have. On the whole, however, the student support regulation rates for the other allowances are generally higher and the government plans to provide an extra non-repayable amount of £1,000 per person with child dependents to give further support.

The government is also looking to ensure that, as far as possible, clinical placements result in limited disruption to family life.

Therefore, where the policy may have an impact it is likely to be through the following:

- Where a low income household has a member commencing a course currently funded by the NHS Bursary, these changes will provide them with increased living cost support, which would be expected to reduce the likelihood of financial pressures affecting the stability of the family relationship.
- A consequence of the policy is that more students from low income backgrounds will graduate with longer periods of student loan repayments. In theory this might delay partners' decision to marry or become financially co-dependent. However, the repayments are income contingent and would therefore be expected to have only minimal or no impact on family relationships.

## Engagement and involvement

Was this work subject to the requirements of the cross-government [Code of Practice on Consultation](#)? (Y/N) Y

### How have you engaged stakeholders in gathering evidence or testing the evidence available?

The public consultation, which was open from 7 April 2016 to 30 June 2016 has been used as the main source of engagement with stakeholders and has fed into further analysis of the impact of these changes, informing both the economic and equality impact assessments and the government response to the consultation.

### How have you engaged stakeholders in testing the policy or programme proposals?

The public consultation was used to test with stakeholders how the reforms can be successfully delivered.

### For each engagement activity, please state who was involved, how and when they were engaged, and the key outputs:

The public consultation was used to test with stakeholders how the reforms can be successfully delivered.

## Summary of Analysis

Nursing, midwifery and AHP students are much more likely to be female, over 25 years of age, have dependants and are slightly more likely to have non-white ethnicity. There are non-repayable grants or allowances in place under both systems for disabled students, and to help students with costs associated with childcare and other caring responsibilities. These are generally higher under the standard student support system than the current NHS Bursary Scheme.

Placing new nursing, midwifery and AHP students on the student support system will, in general, provide up to 25% more living cost support for students during their studies, as the student support system is substantially more than the combination of means-tested and non-means-tested bursaries. However, these new arrangements would increase the time period of student loan repayments students have upon graduation. This could, in theory, deter applications from those who are averse to taking out increased borrowing (e.g. those from lower socio-economic groups). However, the policy would place nursing, midwifery and AHP students on the same student support system as the general student population. There is a built in protection for the lowest earners whereby loan repayments cease where earnings drop below £21,000. In addition, evidence shows that increases in fees in the wider higher education system have not had a detrimental impact on the numbers of students applying to university. In fact, statistics show that potential students are now more likely to apply to university than they were in 2010<sup>43</sup>.

There are also considerations around the working patterns associated with clinical placements and the associated issue of travel expenses. The NHS Bursary scheme pays travel expenses to cover the additional cost of travelling to attend a student's clinical placement. Whilst the higher education student support scheme does have a travel expenses allowance for some students; it does require students to pay the first £303 of their expenses.

In order that healthcare students can continue to access clinical placements unhindered, the Department of Health will commit to providing all new healthcare students this £303 payment as a non-repayable grant. This will not affect healthcare students' ability to access funding from the standard higher education support system to pay for their essential travel costing over £303. This stipulation will enable them to fulfil the mandatory number of hours spent on clinical placements over the duration of their course, in order to attain their registrable qualification.

The government recognises that some healthcare courses require students to attend training at clinical placement providers which are long distances from their university or to spend significant time away from their place of study. These situations result in either greater travel costs or the need to rent extra accommodation. Providing the case for both educational provision and value for money can be demonstrated, any student who finds that they are at a

<sup>43</sup> BIS (2015) Student Finance Equality Analysis, 25<sup>th</sup> Nov, 2015

financial disadvantage as a result of their clinical placement will be entitled to re-imbursement of costs associated with secondary or temporary accommodation, in the appropriate circumstances. Further detail will be published in due course.

Older graduates are more likely to have a degree already. Under the new arrangements, the government is committed to allowing students to apply for student support through the student support system when they already have an equivalent qualification. Students receiving a loan for a second undergraduate degree in a healthcare subject would increase the potential time period of their student loan repayments but would repay at the same rate and terms as students with only one undergraduate degree. In terms of repaying both of these loans, the loans do not stack up on top of each other, so the repayments rate is not changed. The repayment terms are 9% of earnings over £21,000. Under current student support regulations, outstanding student loan repayments are written off 30 years after repayments start, with no adverse consequences for an individual in terms of credit rating.

Furthermore, older graduates may not pay off their loans until later in life: a student who graduates in his or her early 20s and does not pay off the full amount will have their loan written off in their early 50s, while someone who graduates at 30 will not have their loan written off until they are over 60. Older people are known to be more averse to taking on student loan repayments, which may impact on the participation of these students. However, to mitigate this, loan repayments under the student support system would cease in the event of earnings dropping below the £21,000 threshold.

From 2016/17, the government will for the first time provide a loan of up to £10,000 per eligible student for postgraduate master's study. The repayment due date for postgraduate loan balances will be 6th April following the academic year in which the course is completed (or following withdrawal, where this applies). The UK repayment threshold will be £21,000 in tax year 2019/20. The repayment amount will be 6% of income above the relevant threshold. Repayments will be made concurrently with any other student loan repayments due, i.e. borrowers repaying both loans will have a 15% total deduction taken from their salary. For a nurse on a starting salary of £21,700 per annum, total monthly repayments would amount to £8.65.

The consultation acknowledged that, under the current higher education loans system, there are a number of postgraduate courses which would not be eligible for the new postgraduate master's loans package, which at £10,000 has been designed as a contribution to a student's costs. There is therefore a risk that were funding not available to prospective postgraduate applicants, student numbers, and therefore workforce supply, could fall. For the purposes of securing longer term workforce supply, the government will, for the cohort starting in 2017/18 and for a capped number of students, provide a bursary for tuition and maintenance to meet the full costs of the course for postgraduate students.

The current student population is comprised of students from a wide variety of circumstances: those from lower income backgrounds, women, mature students, and people with dependants

and those from ethnic minorities. Ensuring that the changes to funding mechanisms do not have a disproportionate adverse financial impact on such groups and act as a disincentive to participation in these healthcare courses is crucial. To this end, the Department will work with external experts to develop options to support exceptional cases where nursing, midwifery and allied health students find themselves in severe financial hardship. This is in addition to the targeted funding DH also intends to provide for childcare and travel and accommodation costs. Further details will be published ahead of the 2017/18 implementation of these reforms. We will also look for suitable opportunities, including through existing stakeholder forums, to monitor the impact on the policy.

### **Eliminate discrimination, harassment and victimisation**

We have considered the impact of these policies on the need to eliminate discrimination and other prohibited conduct.

We believe the policy aligns with the principle of fair access to higher education, placing nursing, midwifery and AHP students on the same student support package as the general student population. Neither the current bursary package nor the standard support package discriminate on the basis of disability, gender, race/ethnicity, age, pregnancy and maternity, religion or belief, sexual orientation or against students who have undergone / are undergoing gender reassignment. Under the move from bursaries to the student support system, the pregnancy and maternity characteristic has increased significance due to a larger proportion of female nursing, midwifery and AHP students and the older demographic. As outlined above, we have developed options to support any prospective students who may be potentially disadvantaged from changes to funding mechanisms.

### **Advance equality of opportunity**

We have considered the impact of these policies on the need to advance equality of opportunity between people who share a protected characteristic and those who do not in relation to the proposed changes. We have looked in particular at the need to:

- remove or minimise disadvantages suffered by those who share a protected characteristic;
- take steps to meet the needs of persons who share a protected characteristic to the extent those needs are different; and
- encourage persons who share a protected characteristic to participate in public life or in any other activity in which participation by such persons is disproportionately low.

The policy aligns with the principle of fair access to higher education placing nursing, midwifery and AHP students on the same student support system as the general student population. The living cost support under the standard student support system will be significantly greater than bursary provision currently in place to assist with living expenses prior to graduation. In 2015/16, £7,434 was available as loan per annum for maintenance of students under Student Finance England provisions, as opposed to a total of £3,643 per annum in grant under the



NHS Bursary system. In addition, the student support regulation rates for allowances for students (i.e. adult dependant's allowance, parents' learning allowance and childcare allowance) are, in general, higher than the NHS Bursary Scheme allowances.

Under the move from bursaries to the student support system, the pregnancy and maternity characteristic and considerations around child dependants also have an increased significance due to the nature of healthcare courses (containing clinical placements) and that a larger proportion of nursing, midwifery and AHP students are female and of an older demographic. The government will make available funding of £1,000 per person with child dependents to offer extra support to this group.

Providing the case for both educational provision and value for money can be demonstrated, any student who finds that they are at a financial disadvantage as a result of paying for secondary accommodation to attend their clinical placement will be entitled to re-imbursment of costs in the appropriate circumstances. Further detail will be published in due course.

In addition, nursing, midwifery and AHP students will be exempt from the equivalent or lower qualification (ELQ) rule, which prevents students applying for support if they already have a qualification at an equivalent level to that which they are studying towards. This will ensure that older students who already have a degree have equal opportunity to access student funding for nursing, midwifery and AHP courses (as a second degree) as those who do not.

### **Foster good relations between groups**

We have considered the need to foster good relations between persons who share a protected characteristic and those who do not share it. We have considered in particular the need to tackle prejudice and promote understanding.

This system would allow nursing, midwifery and AHP students to receive funding on an equitable basis to other students. In most cases, the student support system supports students at a significantly higher rate than under the existing NHS Bursary scheme. Where there appears to be a potential adverse affect on prospective nursing, midwifery and AHP students in certain circumstances, for example those experiencing severe financial hardship, the government is committed to providing access to support to those who may be potentially disadvantaged and thus foster good relations.

### **What is the overall impact?**

Rather than limiting nursing places to approximately one third of applicants, this reform will ensure that the profession is opened up and anyone who wants to become a nurse, midwife or AHP will have the opportunity to do so.

The student support for living costs will be significantly greater than the bursary provision currently in place to assist with living costs whilst students are undertaking their course. In the wider higher education system the introduction of £9,000 fees has not put students off from

applying for higher education, with record entry rates for young people from disadvantaged backgrounds of 18.5% this year.

The demographic profile of nursing, midwifery and AHP students means that this policy would have the most significant impact on women and older students. Statistically, women over the age of 25 are more likely to give birth, meaning that the pregnancy and maternity, and carers' characteristics are also of increased significance for this policy. As such, the issues of pregnancy / maternity, child dependant allowances and travel expenses have been addressed as part of the Government Response, published alongside this document.

### **Addressing the impact on equalities**

The government is committed to ensuring that aspirant students from all backgrounds can continue to pursue health careers.

The increasing participation from disadvantaged groups in the wider higher education system has been underpinned by access agreements. Any university that wants to charge tuition fees for a full-time course above the basic amount (currently £6,000) for any course up to a maximum of £9,000 (in the 2016/17 academic year) must have an access agreement approved. Access agreements are plans which set out how the institution will promote access to higher education by under-represented groups through measures such as outreach (e.g. summer schools, mentoring, after-school tuition, links with schools and academies in disadvantaged areas); activities to improve retention and success, and financial support such as targeted bursaries and scholarships.

Under the reforms, universities would need to include nursing, midwifery and allied health professional students within their outreach, retention and financial support programmes. Some universities already do this voluntarily, but in the future it will form part of their access agreements. As nursing, midwifery and allied health professional students do not currently pay tuition fees, these students have not been part of the access agreement system. Under this reform all nursing midwifery and allied health professional courses that charge students tuition fees of more than the basic amount (currently £6,000) for any course will come under the access agreement system.

## Action planning for improvement

There are data issues in the following areas:

- the quality of disability data in relation to bursary recipients;
- poor data on race for the general student population;
- no data in relation to persons undergoing gender reassignment;
- poor data on sexual orientation for the general student population;
- poor data on pregnancy and maternity for the general student population;
- no data in relation to the length of time a person has been ordinarily resident in the UK beyond 3 years. This residency requirement could have a potentially greater impact on the characteristics of race and religion.

Without such data it will not be possible to assess the true impact upon the groups listed above. A few consultation responses, for example from UNISON, the Royal College of Nursing and Nuffield Trust, provided some further data through surveying their members or undertaking economic analysis which have been considered as part of the consultation response.

The government is committed to monitoring and evaluating data in real time following the introduction of the reforms and will ensure that its analysis for all diversity characteristics is as comprehensive as possible.

Please give an outline of your next steps based on the challenges and opportunities you have identified.

We will monitor the impact of the reforms on new nursing, midwifery and allied health students, including the impact on the demographic of students in relation to the protected characteristics, attrition rates, and continued workforce supply.

We will work with the relevant bodies, such as DfE and the SLC and Higher Education Funding Council for England to continue to improve data quality and availability where we have identified gaps in the current provision.

## For the record

**Name of person who carried out this assessment:** Anna Dignan

**Date assessment completed:** 19/07/16

**Name of responsible Director/Director General:**  
Gavin Lerner/Charlie Massey

**Date assessment was signed:** 21/07/16

